



2024 PROLOGUE Elite

Investor Presentation
May 2024

Caution with Respect to Forward-Looking Statements:

These slides may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "scheduled," or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such forward-looking statements are necessarily dependent on assumptions, data, or methods that may be incorrect or imprecise and that may be incapable of being realized. Factors such as declines in the financial condition or performance of Honda or AHFC or the sales of Honda or Acura products, changes in general business and economic conditions, and fluctuations in interest rates and currency exchange rates, among others, could cause actual results and other matters to differ materially from those in such forward-looking statements.

Use and Definition of Non-GAAP Financial Measure:

This presentation includes the following financial measure defined as a non-GAAP financial measure by the SEC: Income before income taxes excluding valuation adjustments and reclassifications. This measure has limitations as an analytical tool and should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our liquidity. Our presentation of this non-GAAP financial measure should also not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of this non-GAAP financial measure may not be comparable to other similarly titled measures of other companies.

We define income before income taxes excluding valuation adjustments and reclassifications as income before income taxes excluding realized (gains)/losses on derivatives and foreign currency denominated debt, (gain)/loss on derivative instruments, and (gain)/loss on foreign currency revaluation of debt. Management believes income before income taxes excluding valuation adjustments and reclassifications is useful because it allows management to evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to fluctuations in performance resulting from currency related charges and interest rate swaps.

A reconciliation of our net income as determined in accordance with GAAP to income before taxes excluding valuation adjustments and reclassifications is provided in Appendix A to these slides.

Accounting Standards:

Honda Motor Co., Ltd.

Financial information is prepared in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

American Honda Finance Corporation

Financial information is prepared in conformity with U.S. generally accepted accounting principles.

This information is presented as of May 20, 2024 and does not purport to be accurate as of any other date. We undertake no obligation to update this information.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities. Any offer or sale of securities will be made only by means of an offering memorandum and related documents.

Foreign Currency Translation:

The financial data in these slides is presented on a consolidated basis unless otherwise noted. Upon consolidation, the assets and liabilities are translated at year-end exchange rates, and the revenues and expenses are translated at the average rates of exchange during the respective years. Foreign currency denominated debt is translated at year-end exchange rates, and the foreign currency transaction gains and losses are recognized through earnings.



 **HONDA**

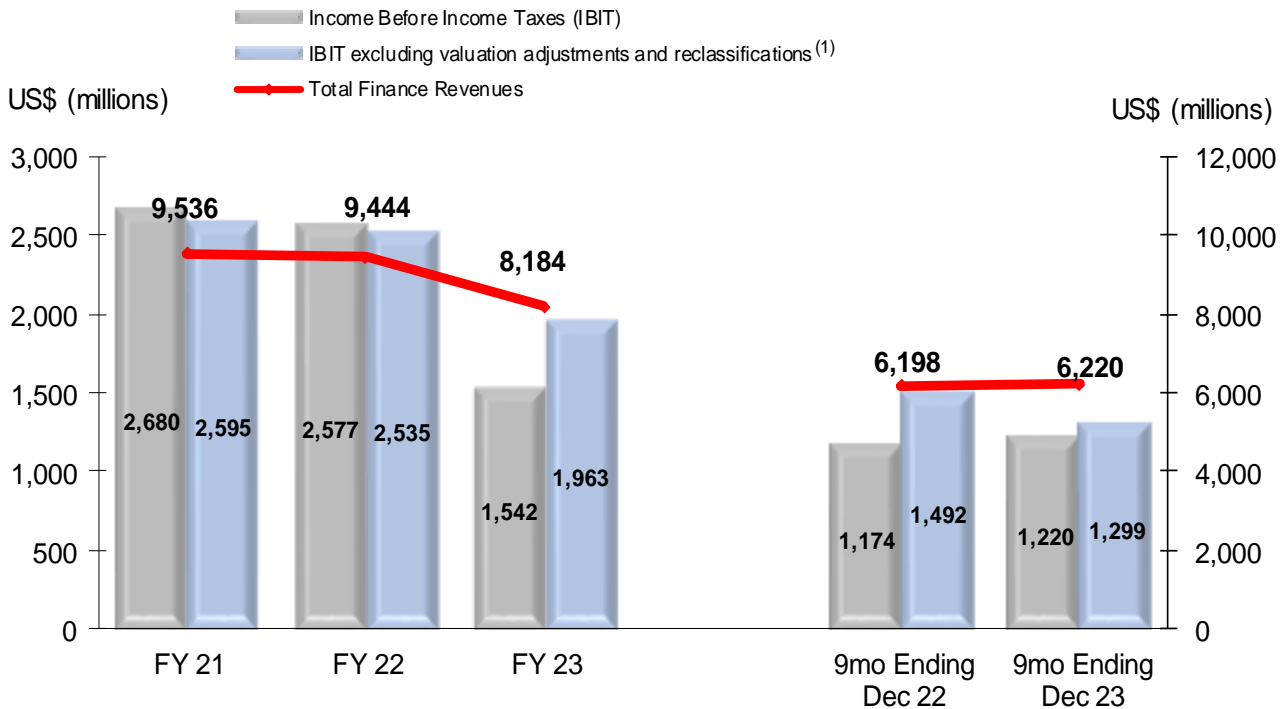
Financial
Services



 **ACURA**

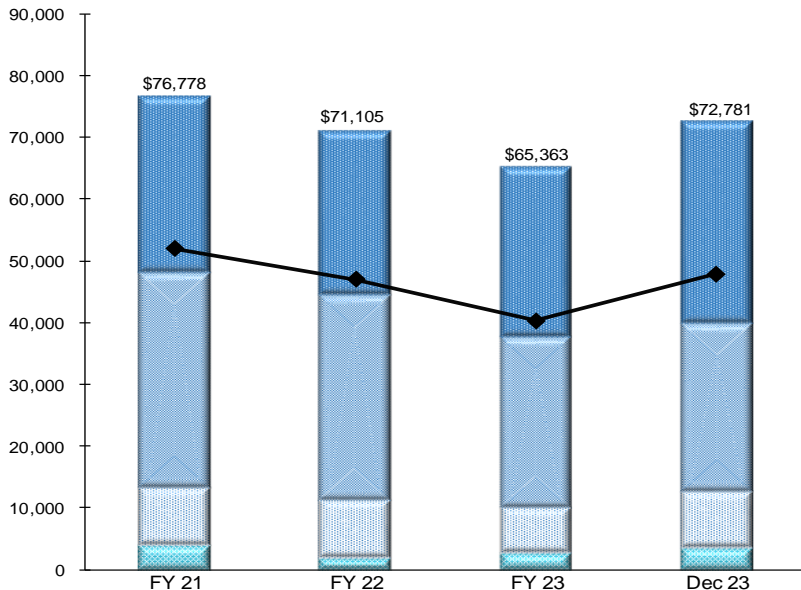
Financial
Services





(1) For a reconciliation of IBIT excluding valuation adjustments and reclassifications see Appendix A

US\$ (millions)



As of Dec 31, 2023:

Retail Loans:

including ABS assets, approx. 58% of outstanding receivables

Leases:

approx. 37% of outstanding receivables

Securitized Assets:

are Retail Loans (AHFC & HCFI), prior periods included Leases (HCFI)

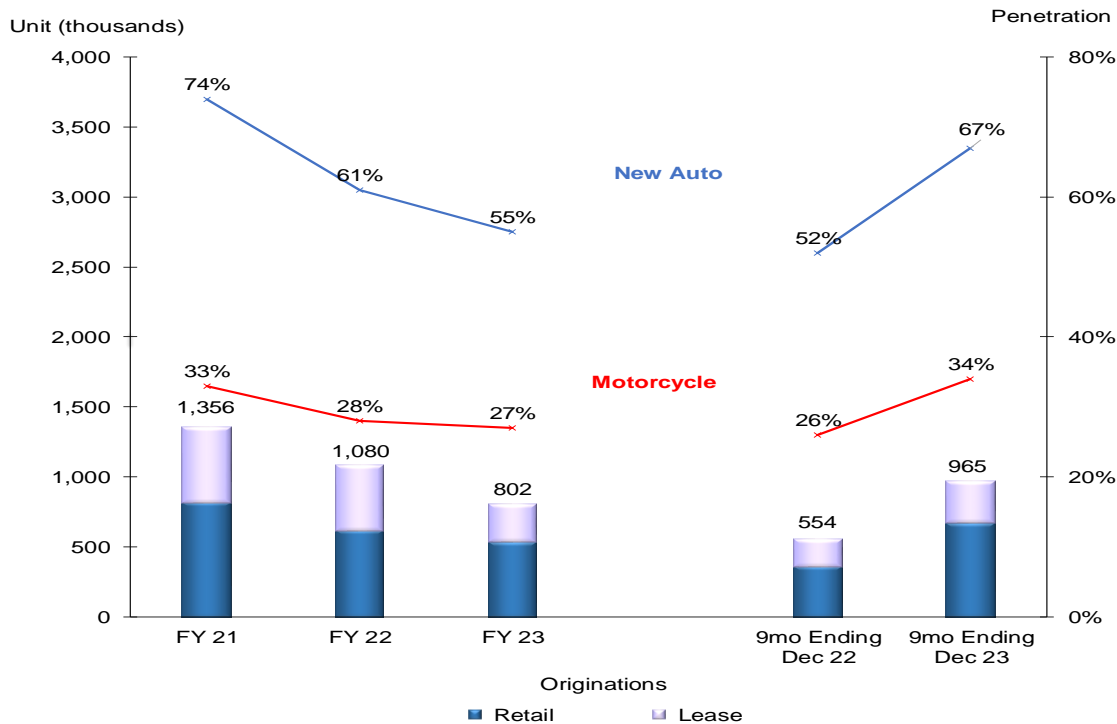
Dealer Loans:

Flooring 28% of the Honda/Acura auto dealers
Flooring 97% of the Honda/Acura Motorcycle dealers

Retail	\$28,573	\$26,387	\$27,538	\$32,758
Lease	\$34,905	\$33,330	\$27,610	\$27,246
Securitized Assets	\$9,223	\$9,327	\$7,384	\$9,189
Dealer	\$4,077	\$2,061	\$2,831	\$3,588
Debt	\$51,927	\$46,939	\$40,334	\$47,904

Retail and Lease excludes Securitized assets

AHFC CFS Originations, Penetration & Outstanding



Outstanding

4,017

3,704

3,313

3,343

3,383



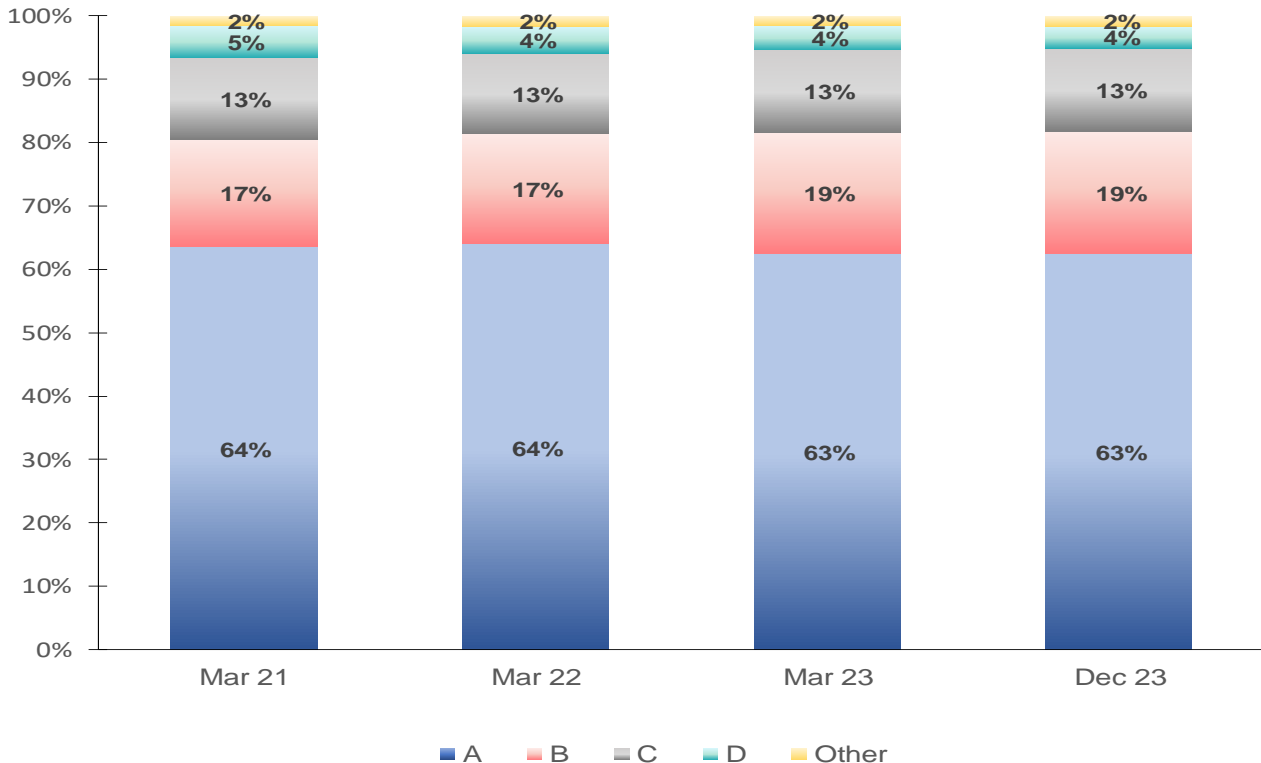
	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>Dec 22</u>	<u>Dec 23</u>
Delinquency (60 or more days) ^{(1),(2)}	0.14%	0.24%	0.24%	0.37%	0.38%
Allowance for Credit Losses ⁽¹⁾	0.68%	0.55%	0.67%	0.65%	0.75%
Charge-Offs (Net of Recoveries) ⁽¹⁾⁽³⁾	0.29%	0.13%	0.28%	0.28%	0.42%

(1) Ending and average receivable balances exclude the allowance for credit losses, unearned subvention income related to our incentive financing programs and deferred origination costs. Average receivable balances are calculated based on the average of each month's ending receivables balance for that fiscal year.

(2) For the purposes of determining whether a contract is delinquent, payment is generally considered to have been made, in the case of (i) dealer loans, upon receipt of 100% of the payment when due and (ii) consumer finance receivables, upon receipt of 90% of the sum of the current monthly payment plus any overdue monthly payments. Delinquent amounts presented are the aggregated principal balances of delinquent finance receivables. Payments that were granted deferrals are not considered delinquent during the deferral period.

(3) Percentages for both the nine months ended December 31, 2023 and 2022 have been annualized.

Outstanding Retail Loans by Internal Credit Grade



AHFC Funding Sources

(US Operations Only)

- SEC Unsecured Global MTN Program (USD, EUR, GBP)

Issuance up to \$30 Bil.



- SEC ABS Shelf

Issuance up to \$18 Bil.



- Commercial Paper

\$7 Bil. outstanding



- Bilateral Term Loans



AHFC Available Liquidity

(US Operations Only)

- Syndicated Bank Credit Facilities

\$7 Bil.



- Committed Bilateral Lines of Credit

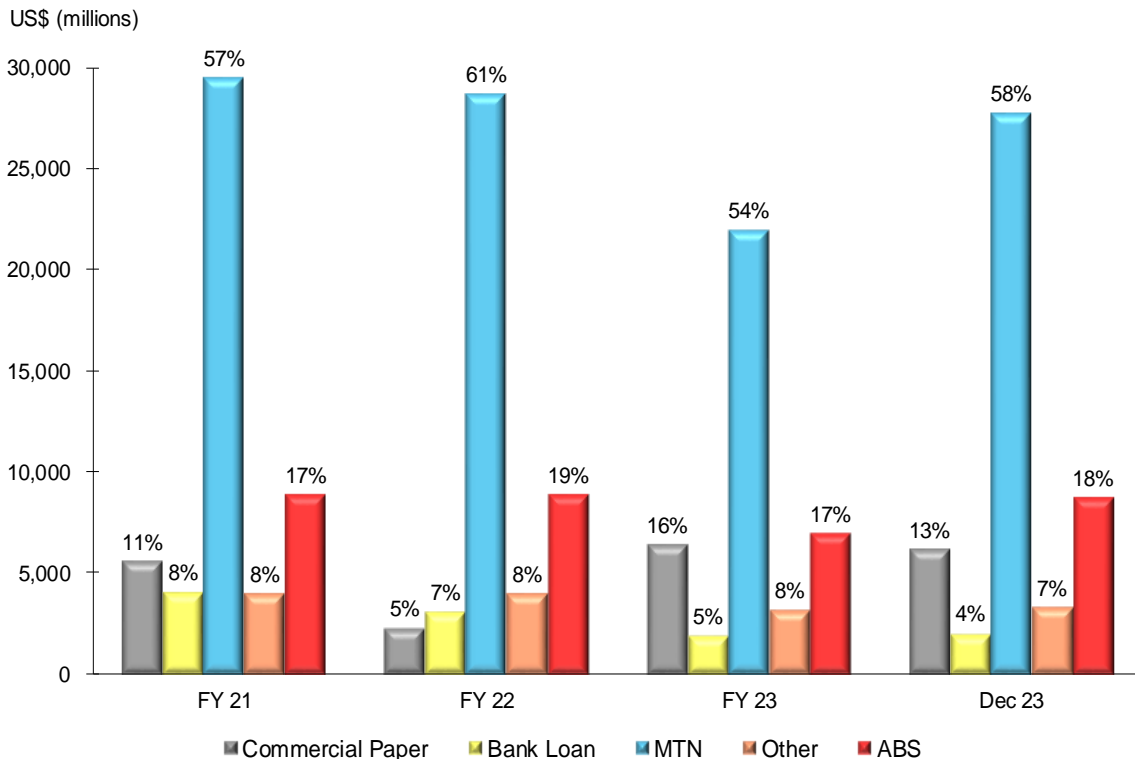
\$1 Bil.



- Intercompany Loans
- Cash Reserves



AHFC Funding Flexibility

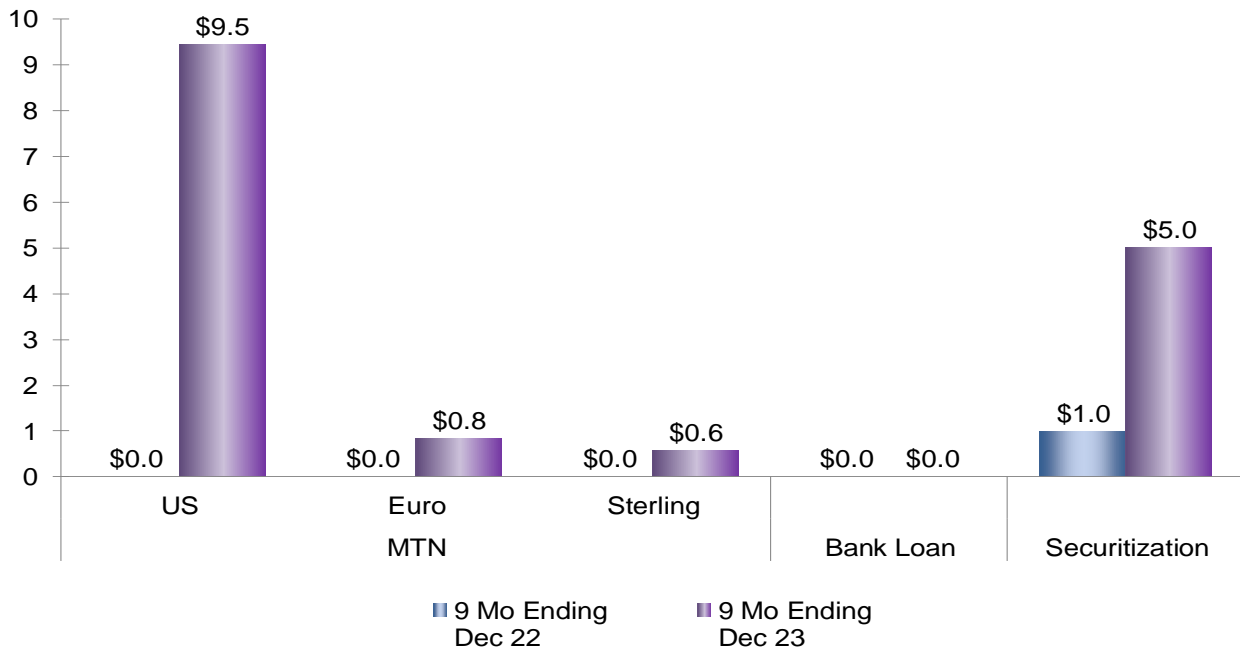


MTN includes outstanding debt SEC, 144A & EMTN Programs

FYTD Debt Issuance

(US Operations Only)

US\$ (billions)



Excludes Commercial Paper

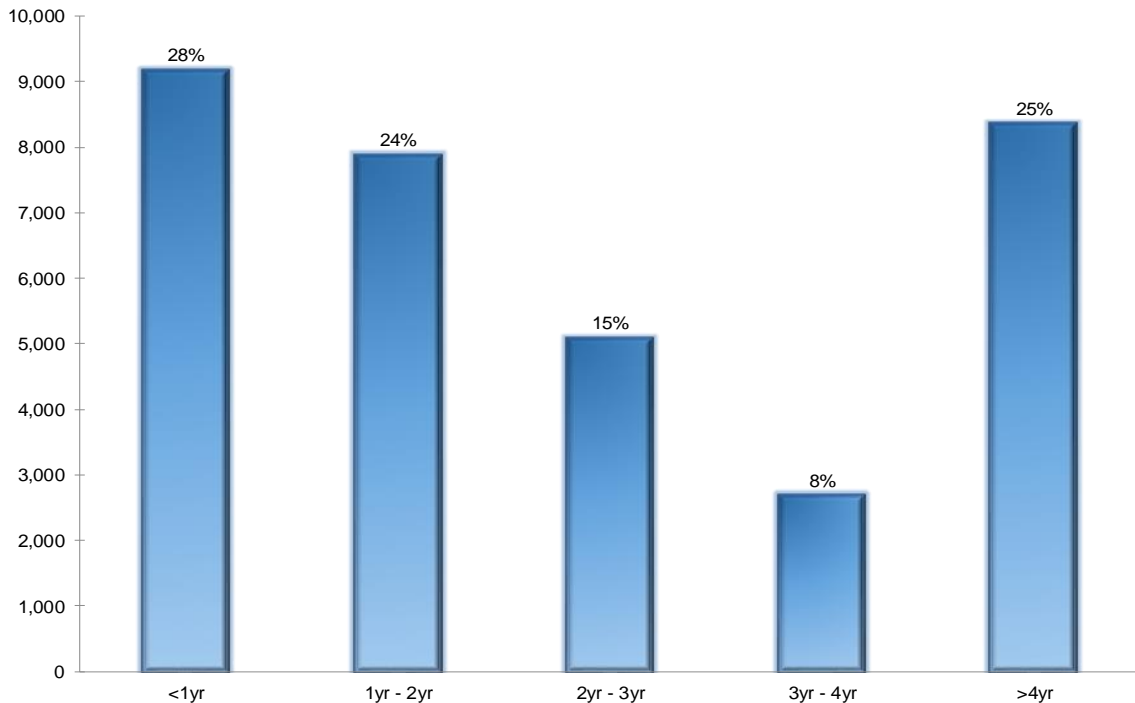
Securitization excludes retained notes and retained portion of notes for risk retention

Euro MTN and Sterling based on original exchange rates

Unsecured Term Debt Maturity Profile

US\$ (millions)

As of December 2023



Excludes Commercial Paper

Does not include unamortized discounts and fees

Foreign debt based on exchange rates as of December 31, 2023



HONDA
The Power of Dreams

How we move you.
CREATE ► TRANSCEND, AUGMENT

The table set forth below reconciles net income, calculated and presented in accordance with U.S. generally accepted accounting principles, to income before income taxes excluding valuation adjustments and reclassifications:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Dec 22</u>	<u>Dec 23</u>
Net income.....	\$ 2,033	\$ 1,902	\$ 1,139	\$ 864	\$ 875
Add:					
Income tax expense.....	647	675	403	310	345
Realized (gains)/losses on derivatives and foreign currency denominated debt.....	(286)	(143)	134	72	134
(Gain)/Loss on derivative instruments	(229)	571	697	722	(132)
(Gain)/Loss on foreign currency revaluation of debt.....	430	(470)	(410)	(476)	77
Income before income taxes excluding valuation adjustments and reclassification.....	<u>\$ 2,595</u>	<u>\$ 2,535</u>	<u>\$ 1,963</u>	<u>\$ 1,492</u>	<u>\$ 1,299</u>